

participating in some form of pension plan, only one out of every three employees of small businesses have pensions. This leaves over 30 million workers without a pension plan. It is not that small businesses do not want to provide pension plans. They simply cannot afford to. Record-keeping requirements are too complex and expensive. The bill addresses this, by creating two new tax credits.

The first is a tax credit of up to \$500 to help defray the administrative costs of starting a new plan. The second is a tax credit to help employers contribute to a new plan on behalf of their lower paid employees. In effect, it is a match of amounts employers in small firms put into new retirement plans for their employees—up to a limit of 3 percent of the salaries of these workers. Taken together, these new incentives will make it easier for small businesses to reach out to their employees and provide them with a pension. In addition, the bill creates a new tax credit that is aimed primarily at workers who do not have a pension plan available to them, to encourage them to save for themselves.

Only one-third of families with incomes under \$25,000 are saving for retirement either through a pension plan or in an IRA. This compares with 85 percent of families with incomes over \$50,000 who are saving for retirement. We clearly need to provide an incentive for those families who are not saving right now, and the individual savings credit included in the Finance Committee bill will provide that incentive.

Here is how it works. A couple with a joint income of \$20,000 is eligible for a 50 percent tax credit for the amount that they save each year, for savings of up to \$2,000. People with higher incomes get a smaller match, up to a joint income of \$50,000. According to the Joint Tax Committee, almost 10 million families will be eligible for the individual savings credit. This will provide a strong incentive for these families to begin setting aside money for their retirement. That, in a nutshell, is how the credits work. Let me respond to the common criticisms of the proposal.

One is that the tax credit for low and moderate income workers is not refundable and therefore will not benefit lower income families that have no tax liability. All that I can say, in response, is that I am a realist. I agree that the credit should be refundable. But, this year, a refundable credit is not in the cards, because it generates strong opposition from the majority. Another criticism, from a different direction, is that the credit is targeted to a specific income class, and provides taxpayers in that income class with too much of a benefit. I disagree. This is not a novel approach. Many provisions of the tax code are phased out at higher income levels, as a way of tar-

geting benefits and reducing the revenue loss.

Another thing. By targeting lower and moderate income workers, the credit provides balance. The benefits of the other provisions of the bill go primarily to higher-paid workers. After all, if we increase the amount that can be deferred in a 401(k) plan more from \$10,000 to \$15,000 a year, we are only benefiting folks who can afford to make that much of a contribution. So a credit targeted to low and moderate income workers provides the overall bill with balance.

In conclusion, I urge the leadership, on the tax-writing committees, in the Senate, in the House, and in the administration, to work together to secure passage of this important legislation. We continue to have a rip-roaring national economy. But many people have been left behind, good people, who are working hard to make ends meet. Let us reach out to them. Let us make an effort to give every working person in this country a real stake in the American dream. Maybe some young worker will see this tax credit and start to put away a little money that he or she otherwise would have spent. That money will compound, and so will the virtue of thrift. And that, Mr. President, will be good for all of us.

The PRESIDING OFFICER. The distinguished Democratic leader is recognized.

MEL CARNAHAN

Mr. DASCHLE. Mr. President, it is with a sad heart that I speak this morning. We now all know that we have lost the Governor of the State of Missouri. Gov. Mel Carnahan was killed in a plane crash last night. Like another man from Missouri, Harry Truman, Mel Carnahan was a man of plain speech and enormous political courage. I believe he would have been a great United States Senator, just as he was a great Governor. His death is a loss to the people of Missouri and to all Americans.

Mel Carnahan spent his life in public service. In this time of skepticism and cynicism about politics and politicians, it is worth noting that Mel Carnahan could have done anything with his life and been a success. His intelligence, his drive, his dedication, his hard work, would have landed him at the top of just about anything he chose to pursue. But Mel Carnahan made a choice early in his life that he would enter public service and that he would use his enormous talents to help people, and that is what he did.

In the State legislature, as State treasurer, as Lieutenant Governor, and during his two terms as Governor, he worked to help people, to make government efficient, and to use the tools at his disposal to make a difference to people's lives.

Whether it was improving public schools, expanding health insurance for children, stricter safety standards for nursing homes to protect seniors, or passing some of the toughest anti-crime measures in the nation to make communities safer, he made a difference.

When Governor Carnahan raised taxes in 1993 to improve Missouri schools, it was an act of political courage that he said was part of his job. "It was the right thing to do," he said later. It was the right thing to do. If one principle could sum up Mel Carnahan's entire political career of public service, it would be just that—he saw what needed to be done, and he did the right thing, regardless of political consequences.

He saw what needed to be done, and using that strong inner compass of right and wrong that steered him through his entire life, he made his decisions—not based on polls or focus groups or other political considerations, but on what was the right thing to do.

Last night, we lost a true public servant—the kind whose service on behalf of people brings honor to all of us who have chosen a similar path for our lives. The fact that his son Randy was with him makes the personal tragedy suffered by the Carnahan family all the more crushing. Our thoughts and prayers are with Jean Carnahan, and the Carnahan and Sifford families in this time of sadness.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

AGRICULTURE APPROPRIATIONS AND FAMILY FARMERS

Mr. DORGAN. Mr. President, I indicated I wanted to talk today about the appropriations bill conference report that is going to be considered by the Senate. The vote at this point is ordered for tomorrow. It is a vote on the Agriculture appropriations bill conference report.

I am a member of the subcommittee dealing with Agriculture appropriations in the Senate. We have had a lengthy conference with the House of Representatives and have reported out a piece of legislation. While I am critical of the farm bill we have in this country because I believe it does not work, I do not want to start with criticism of anything or anybody. Rather, I want to start with compliments.

I compliment Senator THAD COCHRAN who is the chairman of the Senate Agriculture Appropriations Subcommittee. He does just an excellent job. I appreciate very much the work he does.

I compliment Senator HERB KOHL who is the ranking member on that subcommittee.

I thank Galen Fountain, our minority clerk on the subcommittee, who

does a lot of work with us, and good work; Rebecca Davies, Martha Scott-Poindexter, Les Spivey, Hunt Shipman—staff people who have done a great deal of work to put this legislation together.

On my staff, Dale Thorenson and Nicole Kroetsch, Brian Moran, and Stephanie Mohl, who worked on parts of this. Thanks to all those people.

When we bring a piece of legislation to the floor of the Senate after it has gone through conference, it has gone through a long, tortured process. It is not an easy thing to put together. It represents a lot of work and compromise. Thanks to all the people I have mentioned.

I will try to, for a moment, describe why all of this is important to me. There are a lot of things in this legislation dealing with research, agricultural research, food research, Food for Peace—you name it, there is a whole range of programs that deal with very important and serious issues. But I want to focus on one thing, and that is family farming.

I come from a State that is largely an agricultural State. The fact is, our family farmers in this country are in deep trouble. Some people probably couldn't care less. They get their butter from a carton, they get their eggs from a carton, they buy their milk in a bottle, they get their pasta in a package, and they couldn't care less what is happening to family farmers.

Those who think a lot about it understand the importance of farmers who are out there with their families living on the farm, with the yard light that illuminates their place at night. They understand its culture, and understand its contribution to our country. Those who think about it understand the importance of broad-based economic ownership in our country's food production.

I want to read a couple of letters because we are in a situation where commodity prices have collapsed, the grain prices are rock bottom, and our farmers are in desperate trouble. They are losing their livelihood, losing their farms, having to quit. This is a letter I received a couple of days ago from a woman named Lois. I will not read her last name. I do not know if she has indicated she would want me to read this on the floor of the Senate. This is a family farm in North Dakota. Lois and her husband run a family farm. The letter says:

Dear Byron, it's 6 a.m. I woke up [this morning] and feel compelled to write, as I feel farmers here are now at rock bottom.

Right now as we harvest a worthless crop, pay huge prices for our oil products, face winter and bills to pay, we find the [crops sprout damaged and injured] by rain. Harvest brings more stress and fears to all of us. I'm afraid for us. I'm afraid for my neighbors and others like us who can't make a profit thru no fault of our own. We . . . have other jobs, but we can't keep farming. . . . I am

taking time off these days (from my work) to drive a grain truck. I'm hauling grain that is below \$1 a bushel. . . . We need a price that is more than cost. It's called profit. I don't have a lot of answers. We've attended many meetings. . . . We can feed the world . . . we should feel pride in that.

But what's wrong? There's something not connecting here.

She, like so many others, is trying to make a living on a family farm, and they are going broke.

A farm family—a man and his wife—wrote to me about a week ago and said:

It is with tears in my eyes that I find myself writing to you today. After I have been assisting in what should be a joyous time, it just couldn't be further from that. So for the first time, I am taking steps to try and find help, for not only ourselves, but all of those who are worse off around us. Somebody has to help us now. . . . My husband and I farm—near a small community in the northwest corner of North Dakota.

We are blessed with some of the greatest soil and we felt very fortunate until now that it has helped to provide us with thousands of bushels of grain, plus cattle. In fact, up until recently, we had thought we were very fortunate. We couldn't have been more wrong, however.

We are facing the worst times our 3rd generation farm has ever seen since its existence began in 1914. As combines are cutting our fields, the last thing I would normally be doing right now is writing a letter, but we have no choice. Something has to be done and people need to know what kind of devastation is [occurring] in our economy.

It was just this morning that we were told that our very rare and beautifully colored, disease free durum wheat is now only worth 80 cents a bushel. Our neighbors were not so "lucky." There is no market for theirs as it was not close to perfect.

Our banks will not collect on their loans, young people like ourselves are going to just pack up and leave. . . . There is just no reason for us to continually be abused. . . .

She raises the questions, as other farmers do, about everyone else making record profits that handle their grain. The grain elevators, railroads, and the grain trade all make record profits.

She says:

We are one of the very few young farmers left in our community and after this harvest there will be many more forced to leave. There just will be no alternative.

Another letter from another family farm in North Dakota. A farmer writes:

So why do I write? Simply to encourage you to continue the battle, to be a voice alerting the nation to the financial, cultural and social devastation that is taking place in rural America. As a seventy two year old lifetime farmer, now retired, I am a witness to farm after farm being discontinued. The immediate community in which I live vastly changed and changing. Good young family farmers are quitting one after the other, some forced out financially, others giving up before complete financial ruin. There is no profit incentive, the gamble is too great, the fight against weather, disease, regulations and prices too heavy a burden to bear.

This farmer writes:

Personally, I have a son now forty five, who has farmed since graduating from the

University of North Dakota. His hope is fading. He talks of farming one more year and [then giving up]. He is a fourth generation farmer ready to give up. His son now seven never to continue into the fifth generation [on the family farm].

He says:

My concern is for my family, my community, the nation.

I will not read any more. I have so many letters from farmers. They are out there wondering what is wrong with an economic system which rewards everyone except those who produce the crops.

Some say: The "family farm," that is kind of like the little old diner that gets left behind when the interstate comes through. It was a great old place once, but it is irrelevant now because the interstate moves people past that diner. They say that is what the family farm is like. They couldn't be more wrong.

I have indicated before, go to Europe, if you wonder what an economy ought to be with respect to rural values. Europe was hungry at one point so it decided never to be hungry again. One part of national security is to make sure you have a network of producers, a network of family farms producing your food. That way you will not have concentration; you will have broad-based economic ownership, and you will provide national security with respect to food. Europe has a healthy agricultural base. Europe has family farmers who are making money and small towns that have life on their main streets. Why? Because Europe has chosen an economic model that says they intend to keep their family farmers on the farm.

Our country ought to do the same, for a whole series of reasons, some economic, some cultural, some social. But family farms contribute more than just grain. They contribute families, yes; they contribute community; they contribute a culture that is very important to this country.

A wonderful author named Critchfield used to write about the nurturing of family values in this country. He said family values have always started, in the two centuries of America, on its family farms, and rolled to its small towns and to its cities. The refreshment and nurturing of family values has always come from the seedbed of family values; and that is our family farms.

If one wonders what kind of cultural devastation occurs or what kind of cultural changes will occur in this country if we lose our family farms, our rural economy, and turn into a country in which corporations farm all of America from coast to coast—one can see that model in a number of other areas. It is not something that advances our country's interests. Rather, it retards our country's interests.

So I do not come here making excuses in support of family farms. I

come saying that the support of family farms is essential for the long term well-being of this country.

How do we support family farms? Well, we have a farm bill that is a disaster called Freedom to Farm. We gave farmers so-called freedom to farm, but not freedom to sell. So farmers are prevented from selling into certain markets. The freedom to farm is a presumption that individual family farmers have the economic clout in which to deal with everyone else with whom they have to deal.

Does a family farmer have a chance when complaining about railroad rates? I do not think so. Ask the folks in Montana who filed a complaint against the railroad rates. Ask them if they got a fair shake when it took 16 years to get the complaint processed down through the ICC.

Who wins when the family farmer is overcharged by a railroad for hauling grain? The railroad wins.

Who wins when the food manufacturers or the grain trade takes a kernel of wheat, moves it somewhere down the line on the railroad and into a plant, puffs it up, puts it on a grocery store, and calls it puffed wheat? Who wins when they take produce from farmers and give them a pittance for it, and then charge a fortune for it on the grocery store shelf? It is the same kernel of wheat, only it has had a puff added to it. The puff is worth more than the wheat. The people selling the puffed wheat are making a fortune, and the family farmers are going broke.

Is that an economic model that has any justice in it at all? The answer is no. So we ought to have a farm program that works. And we do not. Next year we ought to commit ourselves to repealing Freedom to Farm, and rewriting a bill that works for family farmers, that provides a safety net for family farms in the country. This is not rocket science. They do it in Europe. We ought to be able to do it in our country.

Let me describe, just for a moment, what we have in this appropriations bill. We have disaster assistance in this appropriations bill.

I want to show a couple of charts that talk about what happened in North Dakota in the spring of this year after the crops were planted. This chart happens to show a grain field. It does not look like it, but it is a grain field. From the evening of June 12 until the morning of June 14—a day and a half—a stalled thunderstorm system—actually several thunderstorms converging together—dumped as much as 18 inches of rain in the Red River Valley, near Grand Forks, ND.

North Dakota is a state that usually gets 15 to 17 inches of rain a year. We are a semiarid state which averages 15 to 17 inches of rainfall a year. From June 12 through June 14, in some of these areas, we had 18 inches in 36 hours.

A few days later on the evening of June 19, around 7 o'clock in the evening, flash flooding and severe thunderstorms hit the Fargo-Morehead area about 80 miles south of the first set of storms in the Red River Valley. By 11 p.m. that evening, more than 4 inches of rain had fallen, and it looked as if maybe the worst had passed. But thundershower after thundershower pummeled the area after midnight, dropping an additional 2 inches of rain in 90 minutes. So, this area ended up with a total of 6 inches of rain in a very short period. This is a totally flat terrain. It caused massive sheet flooding. Throughout the area around Fargo, seven to 9 inches of rain in total fell in the timespan of 6 hours.

This chart shows what a grain field looked like the day after. Here is another picture of grain fields. As you can see, there is no grain there. This is a lake. In fact, this area used to be Lake Agassiz long before any of us were around. But you can see what this does if you are a family farmer and you have been out in the spring planting grain. We now have a flood.

The floods in North Dakota, the drought in Texas, the drought in Georgia, the drought in Mississippi, and other parts of our country, the disasters in Montana, all persuaded this Agriculture appropriations subcommittee to add more funding for disaster aid. We originally added \$450 million for Crop Loss Assistance due to weather disasters when the bill was in the Senate—an amendment I offered on the floor of the Senate.

When it went to conference, the need was obvious, so we added more. It went to \$1.1 billion for disaster aid because we had had continued disasters in Texas and in the Deep South. In fact, look at Georgia here. The weekend before we lost our late colleague, Senator Coverdell—who was a distinguished Senator and one I deeply admired—the weekend before we tragically lost our colleague, I had spoken to him about what was happening in Georgia. He said that he was going to cosponsor with me a disaster piece that would provide assistance for farmers in that area of the country. We had need—because of the floods—in our area as well.

We have had drought in the Deep South. As shown on this chart, we can see these red areas. We have had flooding in other areas. We have had a pretty difficult time this year in many areas of the country.

So this piece of legislation adds \$1.1 billion for disaster assistance. This help allows farmers who have been struck by natural disasters to be able to claim some help for crops that they were not able to harvest.

In addition to that, we had folks up in this part of North Dakota that harvested a crop—a crop that looked great—but they had a disaster when they delivered that crop to the grain

elevator. They took a durum crop from the field—a 45-bushel-to-the-acre crop, which is a pretty good crop—only to discover that when they got it to the grain elevator it was full of disease and sprout damage. They found out that grain they thought was going to be worth a decent price was now valued by the grain trade at only 80 cents a bushel.

The cost of producing this grain is probably \$4 to \$4.50 a bushel. So, they had a field waving in the wind, getting ripe and ready to be harvested. They got the combine out, took the grain off, and then discovered what cost them \$4.50 a bushel to produce was now worth 80 cents. To make matters worse, they also found out that the crop insurance they had taken out to insure their crop does not provide help for them to cover the quality loss.

That is called a quality loss adjustment. Actually a better word for it is a catastrophe. If you have a product that you have produced, and it turns out to be worth almost nothing, that is a catastrophe.

Here is what has happened to our farmers. You can see, going back to 1996, wheat prices were very high. That is when Congress passed Freedom to Farm. Many of us stood on the floor of the Senate warning, at that point, this isn't going to continue. But Freedom to Farm provided specific payments over a period of time after which there would be a phaseout of the program altogether. You can see what has happened to prices. You can see with prices at rock bottom, having collapsed and stayed down for some while, that the quality loss adjustments mean that farmers are getting pennies for their crop.

This disaster is not a natural disaster, but rather it has resulted in quality loss adjustments by the grain trade that had to be addressed in this bill. For the first time, this legislation will provide \$500 million for quality loss adjustments. I will talk through that for a moment so people understand why this is in the bill and why it was necessary.

These farmers haven't caused the problem. These are good family farmers who have discovered that their crop, especially in our part of the country up in North Dakota, with the worst crop disease in a century, these are farmers who have discovered that they have produced a rather bountiful crop that is worth nothing when they take it to the grain elevator. Without the quality loss assistance, we would have had a wholesale migration from our family farms. We are going to have a lot of migration anyway by family farmers who simply can't make it. But the disaster aid and the quality loss adjustment is going to be a step in the right direction by at least extending a hand to say until we change this farm bill, here is some help.

I pushed very hard on quality loss assistance. I know I might have bruised some feelings here and there, but I just didn't think we had any choice. We can't say to family farmers, when their prices are collapsed, that it doesn't matter. We can't say to family farmers who are out there struggling: When your crop is hit by disease, it doesn't matter; when your crop insurance doesn't pay off, it doesn't matter; if you are hit 6 or 7 years in a row by natural disaster, as has been the case with many counties in North Dakota, it doesn't matter.

We have a responsibility to define the kind of economy we want in this country. The kind of economy I want is an economy that values that which is produced on our family farms. Our farm program needs changing desperately. We have not been able to get that done this year. In the meantime, this piece of legislation, this Agriculture appropriations bill, does provide some fill so that with respect to disaster and quality loss adjustments, we are able to provide some short-term, interim help to family farmers.

I say to Senator COCHRAN, Senator KOHL, and others who were willing to allow me to press as hard as I did to put this in the bill, I appreciate—and the family farmers in my State will appreciate—the opportunity to continue to try to make that family farm work and to make a living.

I say, again, that we have a responsibility to decide as a Congress whether we want family farms in our future. For those who don't, let's just keep doing what we are doing and that is where we will end up. We will eventually not have any family farmers left in this country. But for those who, like me, believe that a network of family farms is essential to this country, to its culture and its economy, then we better wake up and work together and write a farm bill that works and gives farmers some hope. We better do that, not 2 years from now, not 3 years from now. We better do that now.

We are about ready to adjourn, I suppose, at the end of this week or the end of next week, and we will reconvene as a Congress, the 107th Congress, in January. My hope is one of the first items of business is for us to understand that rural America has not shared in this bountiful prosperity of our country. It is not just that food has no value. You look around the world at night on your television screen, you will discover that there are people who are hungry, there are children who are going to bed with an ache in their belly in every corner of the globe. Food does have value. But the food that is produced in this country, regrettably, has value only for established monopolistic interests, those who have become big enough to flex their economic muscle at the expense of those who produce the food.

Everyone who touches a bushel of grain produced by a family farmer seems to be making record profits. Every enterprise that touches it seems to be doing well. The railroads, the grain trade, the grocery manufacturers, they are all doing well. In fact, they are doing so well, they are marrying each other. Every day you read about another merger. They want to get hitched. They have so much money, they are all rolling in cash. It is the folks out here who took all the risks and plowed the ground and seeded the ground and harvested the crop. They are the ones who can't make a living. There is something disconnected about that kind of economic circumstance.

We can have the kind of economy we choose to have. It is within our ability to define the kind of economy we want for this country. I hope, beginning next year, we will decide that there is a different way, a better way to extend the help for family farmers with a farm program that really works during tough times and a farm program that we would not need during better economic times when grain prices reflected the real value of the grain produced by family farms.

We have made some progress in the Agriculture appropriations bill dealing with sanctions. It is not the best, but we have made some progress. Many of us in the Senate, many in the Congress, have believed that it is relatively foolish for our farmers to bear the brunt of national security interests by having sanctions against other countries that say you can't ship food or medicine to certain countries because we are angry with their leaders. That has never made any sense to me.

We can be as angry as we like with the country of Iran or Libya or Cuba or Iraq, but refusing to ship food to those countries doesn't hurt Saddam Hussein or Fidel Castro. All that does is hurt hungry, sick, and poor children. It hurts hungry people, sick people, and poor people in countries to which we are not allowed to ship food and medicine. Talk about shooting yourself in the foot, our public policy has been to say ready, aim, fire, and we shoot ourselves right smack in the foot on the issue of sanctions.

I don't have a quarrel with those who want to strap economic sanctions on the country of Iraq. That is fine with me. But sanctions should not include food. We have tried mightily to get rid of the sanctions with respect to a range of countries with whom we now prevent the shipment of food and medicine. This legislation marginally moves in that direction. It includes some elements of the amendment I put in the appropriations bill as it went through the Senate. But, once again, it is reactionary with respect to Cuba. There is going to be no grain sold to Cuba because of restrictions put in

here by a few people who were trying to hijack this debate in the conference. The result is it tightens up on travel restrictions to Cuba, and virtually means there will be no food sold in Cuba. In my judgment, that is very foolish, but we will live to fight another day on that issue. At least part of what is done in this legislation dealing with sanctions on agricultural shipments is a step in the right direction.

There is much more to talk about in this legislation. Let me end by mentioning my thanks to the people who helped put this legislation together. It is not easy to do. On balance, while there are some things I don't agree with—I have not described what those are—I think it is a good piece of legislation and a pretty good appropriations bill. It ought to be a precursor for all of us who support family farmers to understand that year after year, when you have to add a disaster piece and emergency pieces to deal with the failure of a farm program, it is time to rewrite the farm program from the start.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. VOINOVICH). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMPLETING THE WORK OF THE SENATE

Mr. DASCHLE. Mr. President, I understand we are about to recess for the day. I want to discuss for just a moment, if I may, my observations about the week and the lack of any activity or communication with the Democratic caucus. I am told that the majority leader has indicated to his caucus members that there won't be a vote tomorrow and that the vote will be postponed on the Agriculture appropriations bill until Thursday.

I am surprised by that announcement, first, because I had not been forewarned or informed in any way that this would be the schedule for the week. I also am disappointed because I have indicated to a lot of people that they needed to ensure they would be here tomorrow at 11:30. They have all made plans accordingly. A lot of people have arranged their entire week around the fact that tomorrow at 11:30 there would be a vote. I am told that our Republican colleagues may simply go into a quorum call at some point and force the Senate into a vote on Thursday, which is, of course, their right. We will insist on a vote on adjournment tomorrow. There will be a vote tomorrow.

We think we ought to be here, working, resolving the outstanding differences. The longer we are gone, the